

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 513

February 18, 2009

**SUMMARY OF BILL:** Expands from 16 to 28 months the time period that prospective HOPE Access Grant recipients have to be admitted and enrolled in an eligible postsecondary institution following graduation from high school in order to be eligible for the grant.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$55,300 in FY09-10 and by \$72,500 in FY10-11.**

Assumptions:

- The Tennessee Student Assistance Corporation (TSAC) projects 418 students will be awarded the HOPE Access Grant in FY09-10.
- TSAC projects that 5.5 percent (23 students) would not enroll within the 16 months required under current law; the remaining 94.5 percent (395) are projected to enroll within 16 months of graduation.
- TSAC projects 66 percent of students not enrolling within 16 months of graduation (15) will be enrolled at eligible four-year institutions; thus receiving an annual award of \$2,750.
- TSAC projects 34 percent of students not enrolling within 16 months of graduation (8) will be enrolled at eligible two-year institutions; thus receiving an annual award of \$1,750.
- The increase of expenditures from lottery proceeds for FY09-10 is estimated to be \$55,300  $[(15 \times \$2,750) + (8 \times \$1,750) = \$55,250]$ .
- The retention rate for HOPE Access Grant students is estimated to be 21 percent. This is based on the actual retention rate for such students from the fall 2007 to fall 2008. Therefore, five students from FY09-10 are projected to retain the grant for FY10-11, with three of those students attending eligible four-year institutions and two of those students attending eligible two-year institutions.

- TSAC projects 25 additional new students for FY10-11, with 17 students attending eligible four-year institutions and eight students attending eligible two-year institutions.
- Of the 30 projected students for FY10-11, 20 attend eligible four-year institutions, and 10 students attend eligible two-year institutions.
- The increase of expenditures from lottery proceeds for FY10-11 is estimated to be \$72,500  $[(20 \times \$2,750) + (10 \times \$1,750) = \$72,500]$ .

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc